CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

REPORT NO.

CD NO.

SEP 20 2 21 PM '49

COUNTRY	Germany (Russian Zone)	DATE DISTR.	22 SEPT 49
SUBJECT	Status of the Mansfelder Kupfer-Schiefer-Bergbau VVB	NO. OF PAGES	4
PLACE ACQUIRED		NO. OF ENCLS. (LISTED BELOW)	
DATE OF		SUPPLEMENT TO REPORT NO.	

Document No. 4
NO CHANGE in Class. ☐
DECLASSIFIED
Class. CHANGED TO: TS S C
DDA Memo, 4 Apr 77
Auth: DDA REG. 77/1763

25X1A
25X1A
25X1X
25X1

1. The Mansfelder Kupfer-Schiefer-Bergbau VVB, located in the Mansfeld-Eisleben area, has under it 42 different units, which include by far the most important copper mines in all Germany and also large smelting and refining plants. Until the fall of 1946, the firm, already back in production by 17 April 1945, continued in its old form, and the former company board remained in authority. In November 1946, on the order of the SMA, the enterprise became Soviet property under the SAG Medj in Berlin-Weissensee. However, in February 1947, when 72 other firms were returned to the various Land governments, the Mansfeld A.G. reverted to Land Saxony-Anhalt. On 1 July 1948, the firm became a VVB (Vereinigung Volkseigener Betriebe), directly under the control of the DWK's Main Administration for Metallurgy.

2. The Mansfeld A.G. was subjected to scarcely any bombing or dismantling. Only two rather large generators and a modern steam generator house were dismantled, and this dismantling merely reduced the total output of the plant from 40,000 kilowatts to 30,000 kilowatts. However, the installations have increasingly suffered from lack of supplies. The extent of this shortage of materials can be seen in the following figures on the iron and steel purchased by the firm: ~~for repair work~~:

1938	6,830 tons*	(used for repair work)
1939	8,323 tons	
1940	5,772 tons	(mostly rolling mill products)
[illegible]	3,961 tons	
[illegible]	3,730 tons	
1946	2,600 tons	(most of which was acquired from the western zones)
1947	158 tons	
1948	1,190 tons	
First Quarter 1949	387 tons	

25X1A

Not only has the quantity of iron and steel available been sharply reduced, but also the material received in the last few years has been poorly sorted and has consisted largely of heavy section iron, much of which could not be used. Source estimates that without major repairs or expansion the Mansfeld VVB needs 2,500 to 3,000 tons of iron and steel a year.

3. The shortage of materials has severely restricted repair work, and the firm's technical equipment has deteriorated accordingly. Whereas in 1944 there were 16,000 supply wagons in the pits, by 1949 there were only 12,000 wagons, most of which were badly in need of repair. The mines face considerable difficulties since most of their equipment, such as cable rope, hulking and drilling hammers, loading equipment, etc., is manufactured exclusively in the Ruhr area, and, according to source, this equipment can not at present be produced in the Russian Zone.

4. An item in particularly short supply is magnesite, which formerly was obtained exclusively from Carinthia. The Russian Zone now plans to build up its own magnesite industry, based on magnesium chloride. Caustically burnt magnesite is to be manufactured in a final process from sintered magnesite. However, the final technical solution to this problem has still not been found. The shortage of magnesite has affected the efficiency of the Messmer (Bessemer ?) converters, formerly equipped with excellent brickwork. Whereas earlier one converter could take 100 to 120 charges, now the capacity has been reduced to 50 or 60 charges, since the masonry used at present is obtained by renovating already used stone.

5. All the foundries are very much in need of repair. The wear and tear there has been much greater than in the mines because of the destructive acids and gases. In the Kurhütte in Eisleben, the sifting and sintering installations and the "Thyssenwäsche" (sic) are particularly in need of renovation. The same situation exists in the Kochhütte, which, although equipped with nine furnaces with a capacity of 150 tons apiece, can use only seven of its furnaces. In relatively good condition are such plants as the electrolytic refineries, the silver forges, and the sulphuric acid installations.

6. The communications system is a particularly weak point in the enterprise's technical equipment. The plant's railway line, which has approximately 110 kilometers of track, has 26 locomotives, but only about half of these are serviceable.

7. In order to halt the rapid deterioration of equipment in the Mansfeld VVB and in other enterprises in the metallurgy industry, the DWK's Main Administration for Metallurgy has alloted 70 million DM (east) for investment purposes. This sum is to be used not only for major repair jobs and for keeping already existing installations in production, but also for erecting new factories. However, source feels that this money allotted for investments is being expended foolishly. Source adds that the financial situation of the industrial firms in the Russian Zone is complicated by the fact that, while factory costs have changed quite a bit since 1944, reparations deliveries, which constitute an important part of the total deliveries from heavy industry plants, are still reckoned according to 1944 prices.

8. Before the occupation, the Mansfeld A.G. produced the following: copper in the form of electrolyte copper, wire bars, and moulded copper (Formatkupfer); 60,000 to 80,000 kilograms of silver**; 1,200 to 1,500 tons of lead**; zinc oxide; nickel sulphate; slagstone; sulphuric acid; certain quantities of gold, platinum, sulphate of zinc, vanadic acid, and selenium. Present plans also include the production of rhenium at the rate of 300 grams per day. The enterprise's laboratories are doing research work on the extraction of various rare metals including germanium (Germanum), which is to be used for special tubes.

ore a month in 1943 and 72,000 tons a month in 1944. In April 1949 production of raw ore was only 60,000 tons a month. The two year plan envisions an output of 70,000 tons a month from the Mansfeld mines, but a goal of 80,000 to 100,000 tons a month is to be aimed at.

10. The blueprint for the Mansfeld VVB's role in the two-year plan was drawn up by a commission headed by certificated engineer Friedemann, member of the SED's Central Secretariat,***, but the plan was greatly influenced by the enterprise's officials. The planned production of 70,000 tons of copper ore a month is not out of line with the capacity of the ore deposits, but it does not take into consideration lack of personnel and supplies and the firm's financial difficulties. The attempt to fulfill the plan despite these difficulties has resulted in very careless working of the mines, and insufficient exploring and charting work has been undertaken.

11. The efficient production of the mines under the Mansfeld VVB is also hindered by the fact that the mines are being exhausted. The Mansfeld mine (Mulde), from which to date about 1.5 million tons of copper have been extracted, has at present an estimated gross supply of copper of only 200,000 tons, of which only 129,000 tons can be considered as certain. If allowance is made for unavoidable losses, a net yield of only 150,000 tons of copper can be expected from this mine. If, as directed in the plan, 10,000 tons of copper is extracted each year, then the Mansfeld mine should be exhausted at the end of fifteen years. However, the Sangerhäuser mine, which is expected to yield 300,000 tons of copper through drilling, should be ready for production by 1952.

12. Because the mines are being exhausted, the Mansfeld VVB has been forced to exploit less economic sections of the mines. Furthermore, the mines' blocked-out area (Abbaufronten), which in 1938 measured 10,000 meters plus an additional 3,000 meters for reserve, was reduced to 8,000 or 8,500 meters by 1944, and by April 1949 it had sunk to only 7,770 meters, including 500 meters of reserve area. The present reserve area source judges to be insufficient. Of the present blocked-out area, only 300 meters is worked in two shifts, while in 1938 1,100 meters or eleven percent was worked in two shifts.

13. The Mansfeld VVB, which during the war employed around 14,000 workers, now has approximately 13,000 workers and officials. Losses during the war considerably reduced the number of technically trained workers. To alleviate this shortage, 8,000 DPs and forced laborers were brought in between 1946 and the end of 1948, but only a small number have remained. Source estimates that only fifty percent of these forced laborers can be trained as skilled workers in the mines and foundries, and the rest are departing. This new blood, forceably brought in, will become really productive in the mines only in about five or six years. Nevertheless, the VVB has succeeded in reducing the average age of the workers from 45, as it was in 1945, to 38.

14. The individual output of the miners is considerably below pre-war standards. The normal peacetime output, based on the figures for 1936, was 2.23 square meters of mine face worked by each miner during each 8 1/4 hour shift. The equivalent individual output under present conditions would be 1.95 square meters per shift, but at the end of the war individual output had sunk forty percent, and even in April 1949 output was only 1.66 square meters, though it was hoped to raise output to 1.86 square meters by the end of 1949.

15. Various measures have been instituted to spur production. The [redacted] movement has been designed to provide competition among the workers. Progressive wages, introduced on 1 September 1948, provided considerable incentive to the workers, who had very little money after the currency reform. However, while this increased the quantity of output, the quality suffered. Furthermore, the cost of mining jumped from 4,000 DM (east) per ton to 5,500 DM (east) per ton, and the mines, already facing serious financial difficulties, could ill afford this jump in costs. To rectify this situation, higher standards of production were instituted on 1 January 1949. In effect this meant that the average wage, which originally was 12 DM and then from July to December 1948 was raised to 18 DM, was reduced again to 12 DM. The new standards of production, which require on the average a minimum individual output of 1.55 square meters of mine face worked during a shift, are to be raised again on 1 July 1949 and still another time on 1 January 1950.

16. With few exceptions, the former board of the enterprise remained in office until January 1948. One new member of the board, brought in in 1947 as social welfare director, was Martin Kiefner, former chairman of the enterprise's combined works council (Gesamtbetriebsrat), who served as representative of the employees. However, later Kiefner, an old member of the SPD, was replaced by the present social welfare director, Ziegener (Ziegner), who is a faithful follower of the SED line. Also Kaufmann, the SPD man who succeeded Kiefner as chairman of the combined works council, was replaced by a radical Communist, trade union secretary Stank, who was imprisoned in February 1949 for embezzlement. The formerly elected works councils, which were dominated by members of the SPD, have completely lost their influence since official trade union secretaries and SED works groups (Betriebsgruppe) were set up.

17. The present Director-General of the Mansfeld VVB is fnu Dümke, a SED man, of whose technical experience source knows nothing. The directors of the individual units in the VVB are for the most part technically trained men, but a few, who are loyal members of the SED, have no technical training.

25X1A

* [redacted] Comment: The tonnages in this report are given in German tons (one ton equals 1,000 kilograms).

25X1A

** [redacted] Comment: Presumably these are monthly production figures.

[redacted] 25X1